

ADMINISTRATION AND FINANCE COMMITTEE

DATE: March 25, 2008

CALLED TO ORDER: 5:31 p.m.

ADJOURNED: 6:31 p.m.

ATTENDANCE

Attending Members

Marilyn Pfisterer, Chair
Paul Bateman
Susie Day
Barbara Malone
Jackie Nytes
Joanne Sanders

Absent Members

Ryan Vaughn

AGENDA

PROPOSAL NO. 81, 2008 - reappoints Sheriff Frank Anderson to the Information Technology Board

"Do Pass"

Vote 6-0

PROPOSAL NO. 116, 2008 - appoints Richard Petrecca to the County Property Tax Assessment Board of Appeals

"Do Pass"

Vote 6-0

PROPOSAL NO. 120, 2008 - appoints Philip Chadwick Hill to the City-County Administrative Board

"Tabled"

Vote 6-0

PROPOSAL NO. 121, 2008 - authorizes the issuance and sale of notes for the purpose of making a loan to provide funds to reimburse the County for funds expended to acquire a voting system for Marion County and to pay the expenses in connection with the issuance of such notes

"Postponed" until April 15, 2008

Vote 6-0

PROPOSAL NO. 122, 2008 - transfers \$35,668 in the 2008 Budget of the Cable Communications Agency (Consolidated County Fund) to provide funds to pay a 2007 Educational Television Cooperative (ETC) grant to the University of Indianapolis and designates the University of Indianapolis as the recipient of the 2008 grant

"Do Pass"

Vote 5-0

PROPOSAL NO. 135, 2008 - approves the issuance of one or more series of City of Indianapolis, Indiana Waterworks District Net Revenue Refunding Bonds in an aggregate principal amount not to exceed \$110,000,000 and other actions in respect thereto
"Postponed" until April 15, 2008

Vote 5-0

ADMINISTRATION AND FINANCE COMMITTEE

The Administration and Finance Committee of the City-County Council met on Tuesday, March 25, 2008. Chair Marilyn Pfisterer called the meeting to order at 5:31 p.m. with the following members present: Paul Bateman, Susie Day, Jackie Nytes, and Joanne Sanders. Barbara Malone arrived shortly thereafter. Absent was Ryan Vaughn. Representing Council staff was Robert Elrod, General Counsel.

PROPOSAL NO. 81, 2008 - reappoints Sheriff Frank Anderson to the Information Technology Board

Kerry Forestal, Chief Deputy, Indianapolis Metropolitan Police Department (IMPD), said that Sheriff Frank Anderson asked him to speak with the Committee about his desire to be reappointed to the Information Technology (IT) Board. He said that it is important that Sheriff Anderson and the IMPD remain fully involved in the decision-making processes of the IT services that are provided to the city and county to ensure cost efficiency and accessibility for the public.

Chair Pfisterer asked Deputy Forestal if he has served in place of Sheriff Anderson in the past. Deputy Forestal answered in the negative, and stated that Director Ron Meadows previously served in Sheriff Anderson's place. However, Sheriff Anderson is planning to request that Deputy Forestal be named as the proxy instead of Deputy Meadows. Chair Pfisterer stated that she has received information that states that the Sheriff must provide the name of the proxy in writing to the IT Board and the City-County Council. Deputy Forestal said that the Sheriff understands that to be the process.

Councillor Sanders moved, seconded by Councillor Bateman, to forward Proposal No. 81, 2008 to the full Council with a "Do Pass" recommendation. The motion carried by a vote of 6-0.

PROPOSAL NO. 116, 2008 - appoints Richard Petrecca to the County Property Tax Assessment Board of Appeals

Mr. Petrecca said that he has served on the Property Tax Assessment Board of Appeals (PTABOA) for about six years, and he has 20 years of previous experience in the assessment field. He said that he has worked in the Township and County Assessors' offices as a Chief Deputy. He said that he has really enjoyed serving on the Board. Chair Pfisterer said that she understands that the Board is going to be busy this year with approximately 17,000 pending appeals. She said that she believes that there will be more. Mr. Petrecca agreed, based on the reassessments this year. He stated that he believes that there will have to be more than one meeting per month. He said that reassessments were a lot smaller 30 years ago, and in reality, not all appeals reach the PTABOA because settlement is attempted at the township level. Therefore, some of the appeals are not heard because the Assessor and the Petitioner agreed to a settlement. Mr. Petrecca said that the PTABOA has the authority to overturn any hearing or decision. Chair Pfisterer asked if the township's settlement agreement is typically accepted. Mr. Petrecca answered in the affirmative.

Councillor Day moved, seconded by Councillor Bateman, to forward Proposal No. 116, 2008 to the full Council with a "Do Pass" recommendation. The motion carried by a vote of 6-0.

PROPOSAL NO. 120, 2008 - appoints Philip Chadwick Hill to the City-County Administrative Board

Mr. Hill said that he desires an opportunity to contribute to the community. He said that this is an opportunity that he would like to pursue, and it falls within the parameters of his expertise. He said that he is a practicing attorney, and a great deal of his practice consists of contract review and associated issues. He said that he understands that contract review is one of the primary responsibilities in his role as a member of the City-County Administrative Board.

Councillor Nytes complimented Mr. Hill for his service to the Board of Fathers and Families. She thanked Mr. Hill for his willingness to serve.

Councillor Malone asked Mr. Hill if the firm for which he works, Dan Pecar, currently provides business to the City. Mr. Hill answered that he is unsure, but does not believe so. Councillor Malone asked if there would be a conflict for Mr. Hill to serve if his firm has business with the City. Mr. Hill answered in the negative. He said that his firm conducted business with the City under previous administration, but not recently.

Councillor Nytes asked Mr. Hill if he lives in Westfield. Mr. Hill answered in the affirmative. Councillor Nytes asked Mr. Elrod if all appointees have to live in Marion County. Mr. Elrod said that he believes that to be true. Councillor Nytes said that it is also her understanding. Chair Pfisterer asked Mr. Elrod what the procedure is in remedying this dilemma. Mr. Elrod said that he does not have the citation before him, but the proposal can be tabled while more information is gathered.

Councillor Sanders moved, seconded by Councillor Day, to "Table" Proposal No. 120, 2008. The motion carried by a vote of 6-0.

Chair Pfisterer said that she will contact Mr. Hill once the information has been obtained.

[Clerk's note: General Counsel's Advisory Opinion is attached as Exhibit C.]

PROPOSAL NO. 121, 2008 - authorizes the issuance and sale of notes for the purpose of making a loan to provide funds to reimburse the County for funds expended to acquire a voting system for Marion County and to pay the expenses in connection with the issuance of such notes

Kevin Taylor, Executive Director, Indianapolis Local Public Improvement Bond Bank, said that the proposal is asking for a loan to reimburse the County for expenses related to a note payment that was due March 1, 2008. He distributed an outline (attached as Exhibit A) of the sequence of events related to the Bond Anticipation Note (BAN) that was issued by the County. Mr. Taylor said that the U.S. Government originally mandated that Marion County upgrade the election voting equipment. He said that equipment was purchased, and the bulk of that expense was reimbursed by the U.S. Government through the Help America Vote Act (HAVA). At that time, about 2003, the County chose the election equipment and opted for additional features above and beyond the mandated upgrade. The additional features brought the total cost of the upgrade to about \$12 million, which was approximately \$5 million more than the HAVA reimbursement. Mr. Taylor said

that the City-County Council approved the issuance of BANs to finance the equipment purchase. Mr. Taylor also distributed a copy of the resolution approving the issuance (attached as Exhibit B). He said that the authorization included some funds identified to repay the note. Mr. Taylor detailed the outline of events as listed on Exhibit A. He said that there were three HAVA funds received through the Secretary of State's office. He said that the first HAVA fund was received in January 2004 and applied to the BAN note, with a one-year extension request for the balance. The second HAVA fund was received and applied to the note, with another extension request for the balance. Mr. Taylor said that another extension was requested for that same balance in March 2006. A third and final HAVA fund reimbursement was received and held by the County. A final extension was requested in March 2007, and the balance was due on March 1, 2008. Mr. Taylor said that none of the identified funds listed in Exhibit B were applied to the repayment of the note obligations. He explained that a BAN is a one-year method of financing until a long-term method is approved. In this case, the long-term method was never approved and the notes simply continued to be extended. He said that state statute limits the number of times a tax-exempt note can be extended, and the City reached that limit in March 2007. Therefore, the obligation of principal and interest was due on March 1, 2008, but nothing was calculated into the 2008 budget for Marion County to address the obligation. Mr. Taylor said that the County applied the final HAVA reimbursement that it was holding, plus available funds on hand in the amount of \$5.1 million, to the note in order to avoid missing a payment to the note holder. He said that the County needs to reimburse itself because the funds had not been incorporated into the 2008 budget. There are two methods to achieve this goal: one is short-term financing, including a loan instead of a long-term bond, and the other is for the County to wait to see what the funding status is further into the budget. Mr. Taylor said that the county could face an operating deficit as a result of fulfilling the obligation. He said that they are requesting approval to issue a loan, so that the County can reimburse itself for the expense.

Chair Pfisterer asked if the loan is from the Bond Bank to the County. Mr. Taylor answered in the affirmative, and stated that the Bond Bank would then issue a note to be purchased by an investor. Chair Pfisterer asked if the debt would be bonded. Mr. Taylor answered in the affirmative. Chair Pfisterer asked the amount of the desired loan. Mr. Taylor answered that it would be approximately \$5.2 million, because \$2.2 was paid with the HAVA reimbursement. He said that he is not sure why the funds were not paid to the note holder when received.

Councillor Nytes asked if the \$5.1 million paid on the notes was paid out of an appropriation from an existing county agency. Mr. Taylor said that he understands that the funds were not appropriated, but were available, unrestricted dollars from the County General Fund. Councillor Nytes asked if the transaction will cease to exist when the fund balance is replenished. Mr. Taylor answered in the affirmative. He said that another option would be to request an appropriation for the funds that have been expended. Councillor Nytes said that she is in favor of having everything appropriated so that the trail of all expenditures can clearly be seen over time. She said that she would have expected that the HAVA payment would have been appropriated. Mr. Taylor said that he believes that the HAVA funds had already been approved for payment. Councillor Nytes asked if it is known if the HAVA funds would have been part of any agency's approved budget or a debt service budget out of County General. Mr. Taylor said that nothing was approved in the 2008 budget.

Chair Pfisterer asked if someone from the Office of Finance and Management (OFM) knows if the

HAVA reimbursement was included in the 2008 budget. Jeff Seidenstein, Budget Manager, OFM, said that he is unsure of the answer, but he believes that the \$2.2 million HAVA reimbursement was included in the budget. Beth White, Marion County Clerk, said that \$2.2 million was included in her 2008 budget and was set aside from HAVA reimbursement funds for the purpose of debt service.

Councillor Nytes asked what the repayment stream will be to repay the \$5.1 million note to the Bond Bank. Mr. Taylor said that is not yet known. He said that it could be a general county obligation spread over three to five years. Councillor Nytes asked if any commitments have been made. Mr. Taylor answered in the negative. Councillor Nytes said that, though she agrees that the utilization of the Bond Bank in this case is appropriate, there needs to be a plan as to how the money is going to be repaid. She said that she appreciates the Bond Bank's willingness to help the County Budget be replenished, so that it can be used for operations as intended.

Councillor Malone stated that Section 2 of Exhibit B indicates that an appropriation of \$1.5 million will be pledged to pay the debt service for each calendar year of 2005, 2009, and 2013. She asked if that money is applied anywhere. Mr. Elrod said that he is not sure if it was appropriated in 2005; however, 2005, 2009, and 2013 are the years in which no general election is held. He said that the game plan at the time of the resolution was that \$1.5 million could be taken out of the election budget during those years to pay for the voting machines. Mr. Elrod said that it appears that the \$1.5 million was not applied in 2005.

Chair Pfisterer said that she called the Secretary of State's Office, Election Division, and spoke with the person that administers the HAVA reimbursements in hopes that there would be more funds coming, but unfortunately, there are none.

Councillor Sanders asked if the notes will be issued immediately. Mr. Taylor answered in the negative, and stated that there is flexibility available on the timing. Councillor Sanders asked if the proposal can be postponed due to its time-flexible nature to a time when a game plan may be identified as to repayment methods. Mr. Taylor answered in the affirmative, and stated that the investor has been paid, which was the most important issue.

Councillor Sanders asked Mr. Seidenstein if he is aware from what part of the county budget the \$5.1 million came. Jason Dudich, Deputy Controller, Budget Division, said that the \$5.2 million came out of the County General Fund. At the time, it was determined to be the best place to obtain adequate cash on hand to pay the \$5.2 million. Mr. Dudich said that the note, if issued, would reimburse the County General Fund. Councillor Sanders asked Mr. Dudich if he is aware of the balance of the County General Fund, since the payment has been made. Mr. Dudich answered that the projections show an adequate fund balance. He said that the budget ordinance for 2008 showed a fund balance of \$2.9 million; however, he believes that the \$5.2 million will not adversely affect the balance, because of adjustments, incoming revenues, and spending reductions.

Councillor Nytes said that she is concerned about taking money out of fund balances without appropriations, because if the Council receives an additional appropriation out of the County General Fund at any other committee, the balance may not be factual. She said that Council ordinances require a small statement at the end that reveals the fund balance, and she asked if the

statements on any other ordinance coming before the Council will reflect the \$5.2 million that has been temporarily expended. Mr. Dudich said that he is uncertain of that answer, and added that the OFM is not opposed to coming before the Council to ask for appropriations. Mr. Seidenstein said in this situation, the County expended the money for the note, but if and once the Council approves the ordinance, it will go back into the fund as a receivable, causing a net zero effect on the fund balance of County General. Councillor Nytes said that she is simply concerned that the County is out of \$5.2 million, and there is no reflection of it. She said that she just wants to ensure that the Council is aware of the decrease between now and when the repayment is resolved. Mr. Dudich said that he agrees that there needs to be some indication of the balance on any fiscal ordinances that come through the Council until the amount is repaid.

Councillor Nytes moved, seconded by Councillor Sanders, to "Postpone" Proposal No. 121, 2008 until April 15, 2008 to give the OFM and the Bond Bank the opportunity to project a possible repayment schedule. The motion carried by a vote of 6-0.

Mr. Elrod said that it should also be noted that \$1.8 million was recently taken out of the Fund balance, as well.

Councillor Malone asked if there is extra equipment that can be auctioned due to the reduction of polling places and voting machines. Ms. White answered that it is not yet known as to whether there is extra equipment. She said that though the number of precincts has been reduced, the number of voters remains the same. Therefore, it is anticipated that there will be a need for more equipment at each precinct, based on turnout numbers. She said that it is an option that may be considered in 2009.

Chair Pfisterer said that she understands that ES&S provides services, but due to their non-compliance in certification of machines, there was a settlement that indicated that they would provide free services to the County. She asked if this is correct. Ms. White answered that it is a condition that the County is currently operating under; however, it is not as simple as the County receiving free services. She said that ES&S is providing additional service days to the County as a result of the settlement of a lawsuit that took place many years ago. She said that the Clerk's office is continuing to compensate ES&S for the services that they provide, but to a lesser extent. Ms. White added that the original amount of the notes was to cover the costs associated with the actual machines, service to the machines, and the warranty. She said that the warranty will expire in 2008.

[Clerk's note: Councillor Nytes left at 6:11 p.m.]

PROPOSAL NO. 122, 2008 - transfers \$35,668 in the 2008 Budget of the Cable Communications Agency (Consolidated County Fund) to provide funds to pay a 2007 Educational Television Cooperative (ETC) grant to the University of Indianapolis and designates the University of Indianapolis as the recipient of the 2008 grant

Rick Maultra, Director, Cable Communications Agency, said that this proposal is requesting that money within their 2008 budget to pay for the Educational Access Television Public Purpose Grant be transferred to the Educational Television Cooperative (ETC). The ETC is the educational access TV umbrella for the organization that puts educational programming on two of the channels for the

three major cable systems within Marion County. Mr. Maultra said that he is asking the Committee to accept the University of Indianapolis as the new fiscal agent for the grant. He said that the Council originally approved \$41,050 in 2007, but it has been reduced to reflect monies that have been paid out of an old purchase order for incurred expenses to Indiana University Purdue University at Indianapolis (IUPUI), who was the prior fiscal agent. He said that the Council's original approval was also under the previous fiscal agent, and he is now seeking to change the agent to the University of Indianapolis.

Councillor Sanders moved, seconded by Councillor Malone, to forward Proposal No. 122, 2008 to the full Council with a "Do Pass" recommendation. The motion carried by a vote of 5-0.

PROPOSAL NO. 135, 2008 -approves the issuance of one or more series of City of Indianapolis, Indiana Waterworks District Net Revenue Refunding Bonds in an aggregate principal amount not to exceed \$110,000,000 and other actions in respect thereto

Mr. Taylor said that none of the requested money is new debt. He said that \$50,000,000 is for a Water Revenue Bond that is in the auction rate mode, which is currently frozen because of credit concerns. He said that this particular series is the city's only auction rate exposure. He said that the mode of this particular bond needs to be changed to either variable rate or fixed rate. Mr. Taylor said that they are trying to determine the best option. He said that the remaining \$60,000,000 is another refunding, but he does not currently have the particulars. He asked the Committee to postpone this proposal until more information is available.

Chair Pfisterer said that she believes that specificity is important for this request and appreciates Mr. Taylor's request for postponement. She asked if she is correct in understanding that this proposal is for refinancing debt that is already on the books. Mr. Taylor answered in the affirmative. He added that the goal is to achieve savings and to lower the city's cost to the water system. Mr. Elrod said that he was involved in the process when the water company purchase bonds were issued, and there was a lot of discussion about the city's liability on the potential revenue shortfall. He said that he wants to ensure that any refinancing will not adversely affect the city's obligation to cover any shortfall. Mr. Taylor said that he believes that the period of which the city had an obligation to make up any shortfall has expired. Mr. Elrod said that he believes that there is an unlimited general obligation, as the bond is a general obligation bond which would never occur because of the service requirements, but it was a very sensitive issue during negotiations. Mr. Taylor said that term has sunset, and these particular bonds were never issued with the city's full faith in credit. He said that it was a moral obligation of the city to make good on debt service payments if there was a shortfall in net operating revenues of the water system. Mr. Elrod asked if the refinance is going to be past the terms of the subsequent debt. Mr. Taylor said that he will clarify that information for the Committee when he returns with the additional information.

Councillor Sanders moved, seconded by Councillor Day, to "Postpone" Proposal No. 135, 2008 until April 15, 2008. The motion carried by a vote of 5-0.

Councillor Malone asked if the auction rate mode is undesirable. Mr. Taylor answered that it is undesirable because of the current market condition, and any confidence in that mode is nonexistent and will possibly not return for three to five years. Mr. Taylor said that the auction rate bonds reset

every 35 days, which requires the remarketing agent to offer the bonds to the highest bidder. However, there is resistance about the credit environment surrounding municipal bond insurers and their exposure to the mortgage market. He said that though the bonds are insured and rated AAA by the Municipal Bond Insurance Association (MBIA), investors only see MBIA's exposure on the credit market and assume a default on MBIA. Mr. Taylor said that, fortunately, the city is capped at its auction rate mode. He said that the city had a failed auction on March 3, and the next remarketing is scheduled for April 9. Because the rate was capped, the interest rate on the failed auction was reset to 5.5%. In comparison, the Port Authority of New York, New Jersey, which is the largest public agency issuing debt in the country, has a AA credit quality and is on par with Indianapolis' Waterworks System credit quality, did not have a rate cap and their rate increased to 20%. Mr. Taylor said that the market is irrational, and there are no longer participants in the auction rate mode.

Mr. Taylor added that there are approximately seven or eight insurers, such as MBIA, in the market place that provide credit quality and credit enhancement for municipal bonds. He said that those insurers are capitalized like life insurance companies and home insurance companies. MBIA provides underwriting for municipal bonds in the event that the Indianapolis water system or Marion County is unable to make an interest or principal payment. Mr. Taylor said that some of the bond insurers are facing credit concerns and have been downgraded.

Mr. Taylor said that he is always available to explain the bond process. He added that there are also a number of exciting projects for the city in the upcoming months.

Conclusion

With no further business pending, and upon motion duly made, the Administration and Finance Committee of the City-County Council was adjourned at 6:31 p.m.

Respectfully submitted,

Marilyn Pfisterer, Chair
Administration and Finance Committee

MP/nsm

25 March 2008

Marion County Voting Machine Bond Anticipation Notes (BANs)

\$12 million vendor contract for upgrade of County voting machines
 Less \$7,362,000 Help America Vote Act (HAVA) reimbursement
 Net \$4,738,000 costs paid by County

February-March 2003 Authorization to enter into County-Bond Bank purchase agreement; into Bond Bank-commercial bank loan agreement; and to issue \$11.1 million BANs

March 2003	BANs issued	\$11,100,000
January 2004	\$2,917,488 HAVA funds received	
March 2004	BANs extended less \$2.9 million HAVA funds received	\$ 9,400,000
December 2004	\$2,196,750 HAVA funds received	
March 2005	BANs extended less \$2.2 million HAVA funds received	\$ 7,150,000
March 2006	BANs extended	\$ 7,150,000
August 2006	\$2,247,762 HAVA funds received	
March 2007	BANs extended	\$ 7,150,000
March 2008	BANs due March 1	\$ 7,150,000

On February 29, 2008, the County applied the \$2,247,762 HAVA reimbursement and \$5,179,730.45 funds on hand to pay the BAN principal and interest in full.

Kevin Taylor, 23rd floor
kdtaylor@indygov.org
 327-5896

CITY-COUNTY SPECIAL RESOLUTION NO. 74, 2002
Proposal No. 459, 2001

A PROPOSAL FOR A SPECIAL RESOLUTION approving a financing plan for acquisition of a new voting system for Marion County.

Whereas, the Marion County Election Board is in the process of acquiring a new voting system for Marion County to replace the mechanical voting machines; and

Whereas, the balances in the Marion County General Fund for such expenditure are unavailable because of other expenses; Now, Therefore:

BE IT RESOLVED BY THE CITY-COUNTY COUNCIL OF THE
CITY OF INDIANAPOLIS AND OF MARION COUNTY, INDIANA:

SECTION 1. The Council pledges to allocate and appropriate up to Four Hundred Seventy-Five Thousand Dollars (\$475,000) annually in the years 2003 through and including 2013 as necessary to pay debt service on or to secure any obligations or any lease rental or contractual payments on the new voting system.

SECTION 2. The Council pledges to appropriate from the County General Fund the additional sums of up to One Million Five Hundred Thousand Dollars (\$1,500,000) in each of the calendar years 2005, 2009 and 2013 to pay debt service on or to secure any obligations or any lease rental or contractual payments on the new voting system.

SECTION 3. This resolution is adopted to encourage the Marion County Election Board to acquire a new voting system and assure the Board that the Council will provide financing for such acquisition within the amounts authorized by this resolution.

SECTION 4. The Marion County Election Board and the Clerk of the Marion Circuit Court are requested to pursue the receipt of one or more federal, state or other grants for the benefit of the County, which funds shall be used either to reduce the amount of the obligations incurred to finance the purchase of the new voting system or immediately to redeem, retire or reduce such obligations.

The foregoing was passed by the City-County Council this 18th day of December, 2002, at 8:14 p.m.

ATTEST:



Suelen Hart, Clerk, City-County Council



Philip C. Borst, D.V.M.
President, City-County Council

S. R. No. 74, 2002
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STATE OF INDIANA, MARION COUNTY)

SS:

CITY OF INDIANAPOLIS)

I, Suellen Hart, Clerk of the City-County Council, Indianapolis, Marion County, Indiana, do hereby certify the above and foregoing is a full, true, and complete copy of Proposal No. 459, 2001, a Proposal for SPECIAL RESOLUTION, passed by the City-County Council on the 18th day of December, 2002, by a vote of 27 YEAS and 1 NAY, and was retitled Special Resolution No. 74, 2001, and now remains on file and on record in my office.

WITNESS my hand and the official seal of the City of Indianapolis, Indiana, this 18th day of December, 2002.



Suellen Hart, Clerk, City-County Council

(SEAL)

TO 863M128504M3 P.03
JAN 13 2003 14:17 P.03

JAN 13 '03 15:17 FR BOSE MCKINNEY EVANS
CITY COUNCIL FAX:317-327-4230

CITY-COUNTY SPECIAL ORDINANCE NO. 1, 2003
Proposal No. 64, 2003

A SPECIAL ORDINANCE authorizing the issuance and sale of notes of Marion County, Indiana for the purpose of making a loan to provide funds to acquire a new voting system for Marion County and to pay the expenses in connection with or on account of the issuance of such notes.

WHEREAS, on December 18, 2002, the Council passed City-County Special Resolution No. 74, 2002 to authorize the Marion County Election Board (the "Board") to acquire a new voting system (the "Project") for Marion County, Indiana (the "County") and to assure the Board that the Council would provide financing of such acquisition;

WHEREAS, the Board has executed a contract for the purchase of a new voting system;

WHEREAS, the Council now desires to issue one or more series of notes, the proceeds of which shall be used to pay for all or a portion of the Project, which notes shall be payable solely from revenues or funds of the County legally available for the payment of principal of and interest on the notes;

WHEREAS, Indiana Code 5-1.4 provides that a "qualified entity," which term includes the County, may issue and sell its notes to The Indianapolis Local Public Improvement Bond Bank (the "Bond Bank");

WHEREAS, the Executive Director of the Bond Bank has expressed a willingness to purchase the notes in a negotiated sale subject to approval by the Board of Directors of the Bond Bank; and

WHEREAS, the Council has determined that it will be in the best interest of Marion County to sell the notes to the Bond Bank in a negotiated sale.

**BE IT ORDAINED BY THE CITY-COUNTY COUNCIL OF THE
 CITY OF INDIANAPOLIS AND OF MARION COUNTY, INDIANA:**

SECTION 1. For the purpose of procuring funds to pay for all or a portion of the Project Marion County shall make a loan in an amount not to exceed Eleven Million One Hundred Thousand Dollars (\$11,100,000).

In order to procure the funds for such loan, the Marion County Auditor (the "Auditor"), is authorized and directed to have prepared and to issue and sell to the Bond Bank the notes of the County payable solely from revenues or funds of the County legally available for the payment of principal of and interest on the notes, and designated as "Marion County, Indiana Limited Recourse Notes, Series 2003 A" in an aggregate principal amount not to exceed Eleven Million One Hundred Thousand Dollars (\$11,100,000) (the "Notes"). The final aggregate principal amount of the Notes and the prices at which such Notes are to be sold shall be determined by the Auditor in accordance with the Qualified Entity Purchase Agreement (as hereinafter defined). The Auditor is authorized to sell any portion of the Notes in a separate series if, in the judgment of the Auditor, such action would be advantageous to the marketing of the Notes, provided that the aggregate principal amount of all such series shall not exceed the amount authorized above. If such a separate series of Notes is sold, all references herein to "Notes" shall include such separate series.

The Notes shall be issued in fully registered form and shall be lettered and numbered separately from one consecutively upward in order of maturity preceded by "03A-R" and with such further or alternate designation provided for herein or as the Auditor shall determine. The Notes shall bear an original date which shall be the date of delivery and shall bear interest from such original date. The Notes shall mature as set forth in the Qualified Entity Purchase Agreement and not later than two (2) years from the date of issuance of such Notes. The Council hereby authorizes an extension of the maturity for an additional three (3) years, for a total maturity of no later than five (5) years from the date of issuance of such Notes. Interest on the Notes shall be payable on the dates and at a rate to be determined in accordance with the Qualified Entity Purchase Agreement. Interest will be calculated on the basis of twelve 30-day months for a 360-day year, or such other method as shall be set forth in the Qualified Entity Purchase Agreement. The Notes shall be subject to redemption or prepayment prior to maturity as set forth in the Qualified Entity Purchase Agreement.

A qualified institution may be appointed by the Auditor as the Paying Agent for the Notes or the Auditor may serve as the Paying Agent. The proper officers are hereby authorized on behalf of the County, to enter into such agreements or understandings with any such institution so appointed as will enable the institution to

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perform the services required of the Paying Agent. The proper officers are further authorized, on behalf of the County, to pay such fees as such institution may charge for the services it provides as the Paying Agent.

The Notes shall be signed in the name of Marion County, Indiana (the "County") by the manual or facsimile signatures of the Board of Commissioners of the County, and the seal of the County or a facsimile thereof shall be affixed, imprinted, engraved, or otherwise reproduced thereon and attested by the manual or facsimile signature of the Auditor. The Notes shall be negotiable under the laws of the State of Indiana.

SECTION 2. The Auditor is hereby authorized and directed to negotiate the sale of the Notes to the Bond Bank. Prior to the delivery of the Notes, the Auditor shall obtain a legal opinion as to the validity of the Notes from Bose McKinney & Evans LLP, bond counsel, of Indianapolis, Indiana, and shall furnish such opinion to the Bond Bank, as purchaser of the Notes. The cost of the opinion shall be considered as part of the costs incidental to these proceedings and may be paid out of proceeds of the Notes.

SECTION 3. The Auditor is hereby authorized and directed to have the Notes prepared, and the Board of Commissioners of the County is hereby authorized and directed to execute the Notes and the Auditor is authorized to attest the Notes in the form and manner provided in the Qualified Entity Purchase Agreement. The Auditor, the Board of Commissioners of the County, and the Marion County Treasurer are hereby authorized to take such further actions and execute such further documents as may be necessary to consummate the sale and delivery of the Notes.


Proceeds from the sale of the Notes shall be deposited in an account or accounts established by the County Treasurer and held or invested as permitted by law.

SECTION 4. The Qualified Entity Purchase Agreement, substantially in the form submitted herewith and marked Exhibit A, between the Bond Bank and the County is hereby approved. The Board of Commissioners of the County is hereby authorized and directed to execute and deliver the Qualified Entity Purchase Agreement on behalf of the County with such changes or modifications therein as they may approve with the advice of counsel, such approval to be conclusively evidenced by their execution thereof, and the Auditor is hereby authorized to attest the Qualified Entity Purchase Agreement.

SECTION 5. This Ordinance shall be in full force and effect upon adoption and compliance with Indiana Code 36-3-4-14.

The foregoing was passed by the City-County Council this 24th day of February, 2003, at 7:55 p.m.

ATTEST:



Suellen Hart, Clerk, City-County Council



Philip C. Borst, D.V.M.
President, City-County Council

S.O. No. 1, 2003
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Presented by me to the Mayor this 27th day of February, 2003, at 10:00 a.m.


Suellen Hart, Clerk, City-County CouncilApproved and signed by me this 7 day of March, 2003.
Bart Peterson, MayorSTATE OF INDIANA, MARION COUNTY }
CITY OF INDIANAPOLIS } SS:

I, Suellen Hart, Clerk of the City-County Council, Indianapolis, Marion County, Indiana, do hereby certify the above and foregoing is a full, true, and complete copy of Proposal No. 64, 2003, a Proposal for SPECIAL ORDINANCE, passed by the City-County Council on the 24th day of February, 2003, by a vote of 27 YEAS and 1 NAY, and was retitled Special Ordinance No. 1, 2003, which was signed by the Mayor on the 7th day of March, 2003, and now remains on file and on record in my office.

WITNESS my hand and the official seal of the City of Indianapolis, Indiana, this 7th day of March, 2003.
Suellen Hart, Clerk, City-County Council

(SEAL)

CITY-COUNTY FISCAL ORDINANCE NO. 17, 2003

Proposal No. 65, 2003

A FISCAL ORDINANCE appropriating the proceeds (including investment earnings thereon) of the Marion County, Indiana limited recourse notes, Series 2003 A.

WHEREAS, the City-County Council of the City of Indianapolis and of Marion County, Indiana (the "City-County Council"), has determined to issue limited recourse notes of the County payable from revenues or funds of the County legally available for the payment of principal of and interest on the notes, in an aggregate principal amount not to exceed Eleven Million One Hundred Thousand Dollars (\$11,100,000), for the purpose of raising money to pay the cost of funding a new voting system for Marion County, Indiana (the "County"), such costs including the estimated cost of all expenses reasonably incurred in connection with the acquisition of such voting system, including the expenses associated therewith and expenses in connection with or on account of the issuance of the notes therefor (collectively, the "Project Costs");

WHEREAS, the County did not include the proceeds (including investment earnings thereon) of the notes of the County in the regular budget for the year 2003;

WHEREAS, there are insufficient funds available or provided for in the existing budget and tax levy which may be applied to the Project Costs, and the issuance of the notes has been authorized to procure the necessary funds, and an extraordinary emergency and necessity exists for the making of the additional appropriation set out herein;

WHEREAS, the Clerk of the City-County Council has caused notice of a hearing on the appropriation to be published as required by law; and

WHEREAS, such public hearing was held on February 24, 2003 at 7:00 p.m. (local time), in the Public Assembly Room, 2nd Floor, City-County Building, Indianapolis, Indiana, concerning said appropriation at which all taxpayers and interested persons had an opportunity to appear and express their views as to such additional appropriation.

BE IT ORDAINED BY THE CITY-COUNTY COUNCIL OF THE
CITY OF INDIANAPOLIS AND OF MARION COUNTY, INDIANA:

SECTION 1. The proceeds derived from the sale of the notes heretofore authorized to be issued (together with all investment earnings thereon) shall be, and are hereby, appropriated by the City-County Council for the purpose of providing funds for the Marion County Election Board for the cost of acquiring a new voting system for Marion County, Indiana, together with expenses associated therewith and expenses in connection with or on account of the issuance of the notes therefor, not provided for in the existing budget and tax levy.

SECTION 2. Such appropriation shall be in addition to all appropriations provided for in the existing budget and levy and shall continue in effect until the completion of the activities described in Section 1 above. Any surplus of such proceeds (including investment earnings thereon) shall be credited to the proper fund as provided by law.

SECTION 3. The Clerk of the City-County Council shall be, and hereby is authorized and directed to certify a copy of this Ordinance together with such other proceedings and actions as may be necessary to the Indiana Department of Local Government Finance.

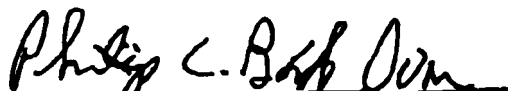
SECTION 4. This Ordinance shall be in full force and effect upon adoption and compliance with Indiana Code 36-3-4-14.

The foregoing was passed by the City-County Council this 24th day of February, 2003, at 7:55 p.m.

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ATTEST:


Suellen Hart, Clerk, City-County Council


Philip C. Borst, D.V.M.
President, City-County Council

Presented by me to the Mayor this 27th day of February, 2003, at 10:00 a.m.


Suellen Hart, Clerk, City-County Council

Approved and signed by me this 7 day of March, 2003.


Bart Peterson, Mayor

STATE OF INDIANA, MARION COUNTY)
CITY OF INDIANAPOLIS) SS:
)

I, Suellen Hart, Clerk of the City-County Council, Indianapolis, Marion County, Indiana, do hereby certify the above and foregoing is a full, true, and complete copy of Proposal No. 65, 2003, a Proposal for FISCAL ORDINANCE, passed by the City-County Council on the 24th day of February, 2003, by a vote of 27 YEAS and 1 NAY, and was retitled Fiscal Ordinance No. 17, 2003, which was signed by the Mayor on the 7th day of March, 2003, and now remains on file and on record in my office,

WITNESS my hand and the official seal of the City of Indianapolis, Indiana, this 7th day of March, 2003.


Suellen Hart, Clerk, City-County Council

(SEAL)



**THE COUNCIL
CITY OF INDIANAPOLIS
MARION COUNTY**

Robert G. Elrod
General Counsel

Exhibit C

**GENERAL COUNSEL ADVISORY OPINION NO. 1, 2008
March 26, 2008**

Mrs. Marilyn Pfisterer, chairperson
Administration and Finance Committee
1001 Mt. Auburn Drive
Indianapolis, IN 46224

Dear Mrs. Pfisterer:

This opinion is in response to the question raised at a recent meeting of the Administration and Finance Committee concerning the residency requirement for members of the City-County Administrative Board.

Although the ordinance defining the members of that board contains no specific residency requirement, I am of the opinion that it is covered by the requirement of Article 6, Section 6 of the Constitution of the State of Indiana. That section requires, in part: "All county, township and town officers, shall reside within their respective counties, townships, and towns...." The relevant opinions of the Indiana Attorney General and decisions of the Indiana courts have determined that members of boards are officers within the meaning of this provision of the Constitution.

The opinions conclude that an "officer" is anyone that exercises any of the sovereign powers of the State of Indiana. Because the City-County Administrative Board has the power to approve contracts and disposal of property, it exercises a governmental power under the State Constitution.

Therefore members of such board must be residents of Marion County.

Respectfully submitted,

Robert G. Elrod, General Counsel

cc: President Cockrum
Members of Administration and Finance Committee